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INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT NOVEMBER 6, 1989

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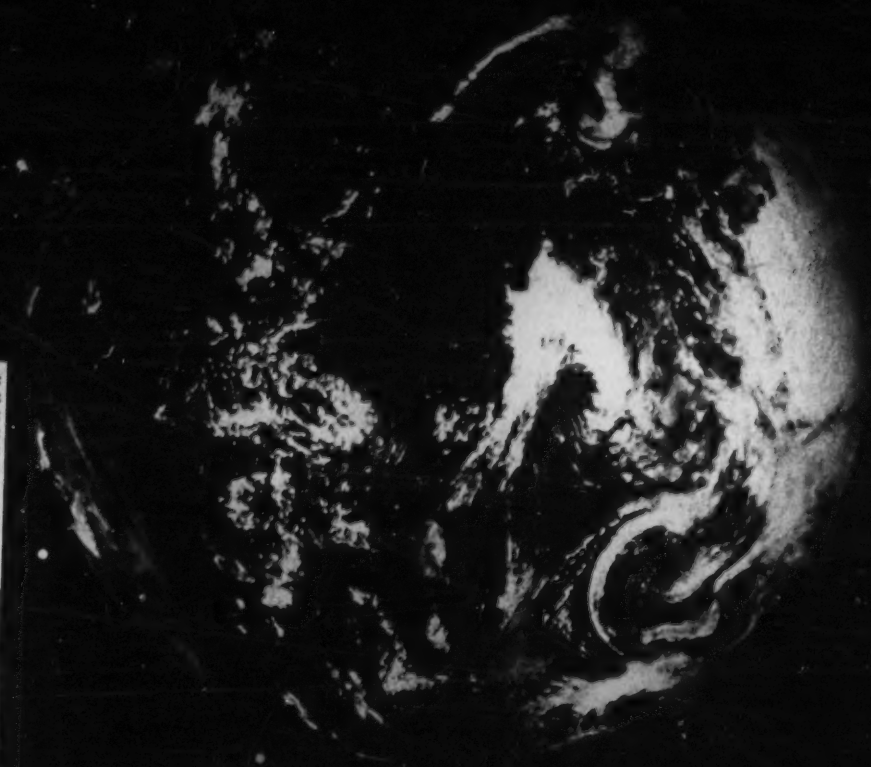

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CONFRONTING A NEW GLOBAL IMPERATIVE

PPV MARKETING: WHAT'S RIGHT?

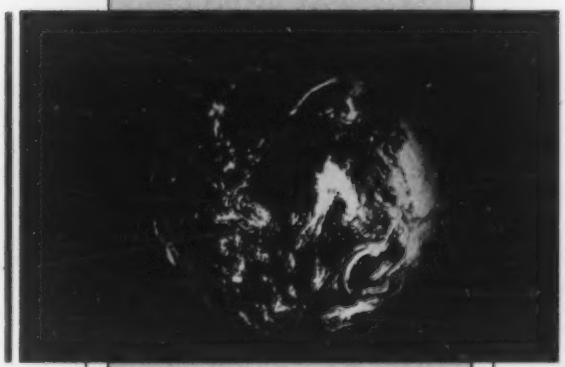
TELCOS HIT A PPV WALL

A FOCUS ON NEW INVESTORS

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT NOVEMBER 6, 1989

COVER STORY



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ABP BPA

4

Efforts to improve customer service sharply reduce number of complaints

Six out of 10 operators report that the number of subscriber complaints about service has declined in the past year, often dramatically, an improvement that can be attributed to steps they have taken to extend business office hours, install better phone systems, hire more CSRs and increase plant maintenance to reduce outages and improve picture quality, the Cable Poll™ has determined.

The subsiding number of complaints may have been influenced as well by a massive number of community relations projects mounted by systems recently to improve their image with subscribers. According to the Cable Poll™ data, 88 percent of all systems now support some type of community event, and on average each undertakes four such projects annually.

Number 4 in a series of ten

This and other information gathered during nearly 400 interviews with system management personnel nationwide paints a picture of operators aggressively instituting measures to correct historically poor customer service and to polish their tarnished public images. Further, it is evident that operators are committing substantial resources to the problem, because the sorts of initiatives identified typically are ones that require substantial expense.

According to the data, this trend is especially pronounced at those systems with 50,000 or more subscribers, where the data skew higher in every category. (Although fewer than 200 cable systems are that large, together they serve about 35 percent of all subscribers.) While 28 percent of operators as a whole report that customer complaints have "declined a lot" in the past year, 45 percent of operators at systems with more than 50,000 subs report the same decline in complaints. (The number of systems reporting an increased level of complaints is so small that it's below the 5 percent margin of error of the poll.) Similarly, while 44 percent of all operators said their systems have hired more CSRs, 73 percent of the larger systems have expanded their customer service staffs. And while 42 percent of all systems have extended their office hours to evenings and/or weekends, 77 percent of the larger systems have taken that step, the data indicate.

> 'I think customer service without question is getting better in cable and customer complaints as a consequence are decreasing.'
>
> *— NCTA president James P. Mooney, reacting to the data*

"I think customer service without question is getting better in cable and customer complaints as a consequence are decreasing," James P. Mooney, president of the National Cable Television Association, said in reacting to the Cable Poll™ data. "This is just one of the ways the industry is shifting from a construction industry into a service industry mindset, with the accompanying behavior patterns."

Among the more noteworthy measures systems have taken for the convenience of customers is establishing satellite offices in malls or other public places where subscribers can pay bills or discuss service. Among all operators, 31 percent have set up such costly satellite locations, while 64 percent of systems with more than 50,000 subscribers have done so. At the lower end of the cost scale, the Cable Poll™ data indicate that operators almost universally have embraced the tactic of using bill stuffers to explain service issues. Among all operators, 79 percent now insert such informational material in monthly bills, rising to 95 percent of larger systems.

But the most far-reaching efforts to improve customer service are occurring in plant maintenance, operators report. There, 89 percent of all operators said they have increased plant maintenance over the past year with the goal of reducing outages and improving picture quality. That percentage deviates little according to the size of the system, or whether it is owned by a larger or small MSO.

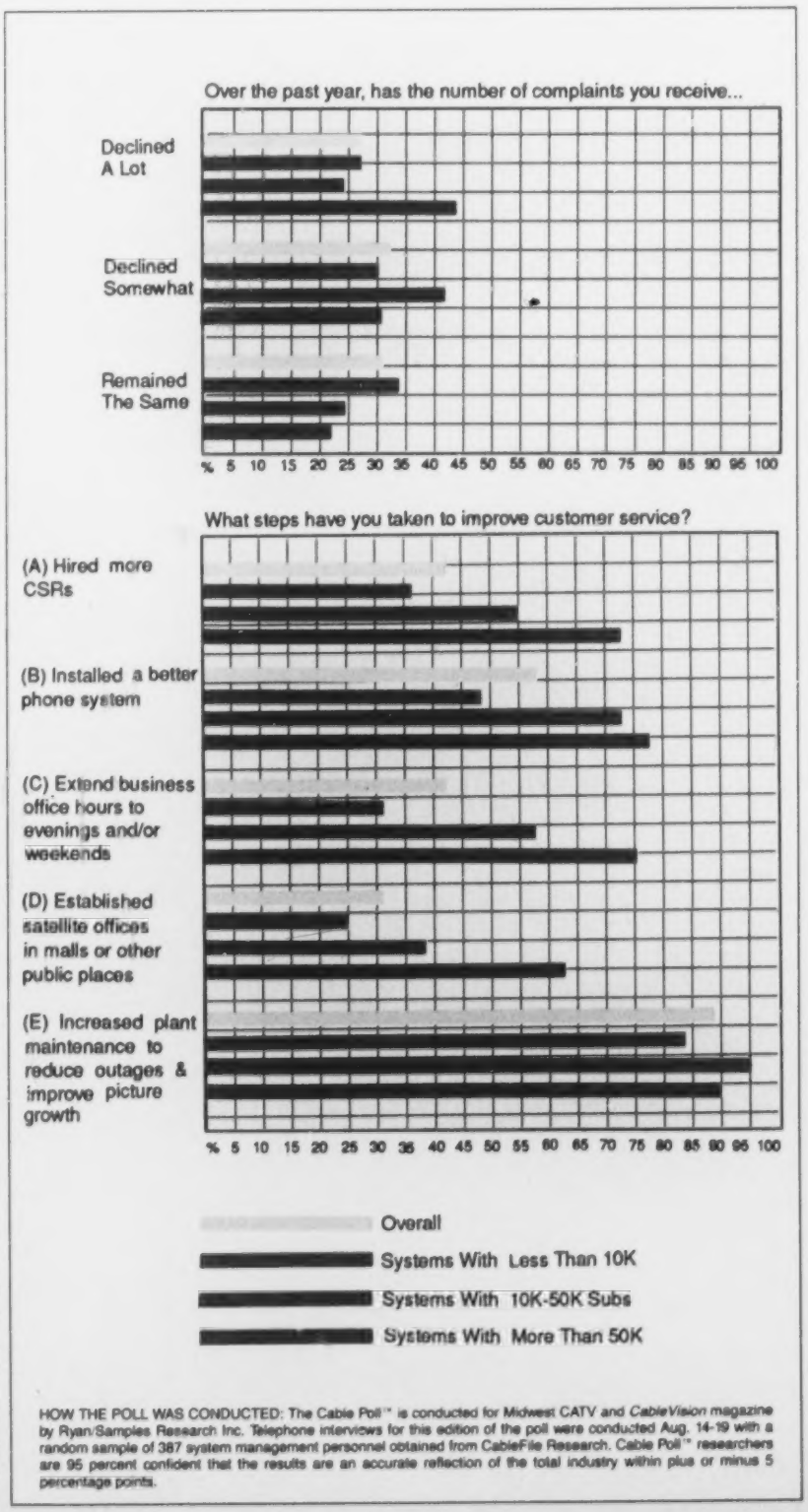
Mooney said that it might be some time before the efforts to improve customer service begin to pay off in Washington, where the industry continues to be criticized for raising rates and attaching a low priority to customer service. "As far as the politics of it goes, the perceptions of the political community tend to lag a little bit behind the public perceptions of things like this. Generally speaking in politics you get prosecuted for what went on a year or two ago. But I think that obviously a finding of this sort tends to help us."

As one small confirmation of the Cable Poll™ data, Mooney recalled that recently a member of Congress told that he had polled his constituents on several issues, including their experience with their cable operators. "And the reaction he got," Mooney said, "was that people mostly liked cable TV and didn't have any substantial problems."

During the interviews, operators also were asked a series of questions about the related area of community relations, and among the more striking responses is that 51 percent report that their system now has a person on staff whose principal job responsibility is community relations work. And 68 percent of operators at larger systems said they have a community relations staffer. As recently as a year ago it was believed that fewer than a third of all systems had such a staff person.

And those employees obviously are busy. Asked how many community relations or charitable projects they have undertaken recently, 53 percent of all operators said they had done two to four, 18 percent said they had supported four to six projects, and 20 percent said they had undertaken more than six community relations projects. Looking just at the data from larger systems, 59 percent said they have mounted more than six community relations projects in the past year.

Reacting to the data, Peggy Keegan, president of the Cable TV Public Affairs Association, said "A report like this is a pleasant surprise in that it so well documents the aggressive efforts being made at the system level to reduce complaints. It tells me that managers know you don't have to operate a large system to reap benefits from improved customer service and the integration of public affairs into overall operations." ■


Over the past year, has the number of complaints you receive...
Declined A Lot
Declined Somewhat
Remained The Same
% 5 10 15 20 25 30 35 40 45 50 55 60 65 70 75 80 85 90 95 100
What steps have you taken to improve customer service?
(A) Hired more CSRs
(B) Installed a better phone system
(C) Extend business office hours to evenings and/or weekends
(D) Established satellite offices in malls or other public places
(E) Increased plant maintenance to reduce outages & improve picture growth
% 5 10 15 20 25 30 35 40 45 50 55 60 65 70 75 80 85 90 95 100
Overall
Systems With Less Than 10K
Systems With 10K-50K Subs
Systems With More Than 50K

HOW THE POLL WAS CONDUCTED: The Cable Poll™ is conducted for Midwest CATV and *CableVision* magazine by Ryan/Samples Research Inc. Telephone interviews for this edition of the poll were conducted Aug. 14-19 with a random sample of 387 system management personnel obtained from CableFile Research. Cable Poll™ researchers are 95 percent confident that the results are an accurate reflection of the total industry within plus or minus 5 percentage points.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	6,228,526	(6/89)
2.	American Television & Communications Corp.	4,202,000	(10/89)
(4) 3.	Continental Cablevision	2,486,358	(7/89)
(3) 4.	UA Entertainment	2,477,000	(9/89)
5.	Warner Cable Communications	1,700,000	(9/89)
6.	Storer Cable Communications	1,531,000	(8/89)
7.	Cox Cable Communications	1,515,876	(7/89)
8.	Comcast	1,463,000	(5/89)
9.	Cablevision Systems	1,382,094	(9/89)
10.	Jones Intercable/Spacelink	1,325,552	(10/89)
11.	Newhouse Broadcasting	1,147,000	(5/89)
12.	Heritage Communications	1,100,000	(4/89)
13.	Times Mirror Cable TV	1,026,602	(7/89)
14.	Cablevision Industries	972,900	(8/89)
15.	Viacom Cable	955,000	(4/89)
16.	Summons Communications	853,900	(4/89)
17.	Century Communications	800,000	(4/89)
18.	Adelphia Communications	751,700	(9/89)
(20) 19.	Paragon Communications	750,000	(10/89)
(19) 20.	Cooke Cablevision	730,800	(5/89)
21.	Falcon Cable TV	700,000	(10/89)
22.	Telecable	580,000	(5/89)
23.	WestMarc Communications	564,009	(9/89)
24.	KBLCOM	558,100	(4/89)
25.	Scripps-Howard	540,000	(8/89)
26.	Multivision Cable TV	482,000	(4/89)
27.	Tele-Media	475,163	(9/89)
28.	Prime Cable	458,000	(6/89)
(31) 29.	Lenfest Group	437,833	(8/89)
30.	Post-Newsweek Cable	403,000	(4/89)
(40) 31.	Cencom Cable	400,761	(10/89)
32.	Maclean Hunter Cable TV	357,500	(5/89)
33.	TCA Group	349,300	(4/89)
34.	Colony Communications	327,793	(9/89)
35.	Rifkin & Associates	324,000	(4/89)
36.	Multimedia Cablevision	321,300	(4/89)
(29) 37.	Centel Cable*	304,000	(10/89)
(37) 38.	TKR Cable	278,482	(5/89)
(38) 39.	Tribune Communications	277,500	(6/89)
(39) 40.	Western Communications	266,700	(4/89)
(43) 41.	Simmons Communications	248,885	(9/89)
42.	Hauser Communications	247,000	(7/89)
(41) 43.	Star Cablevision Group	240,096	(8/89)
44.	Service Electric Cable TV Inc.	211,500	(4/89)
45.	Greater Media	205,000	(9/89)
46.	King Videocable	190,915	(8/89)
47.	Sutton Capital	188,449	(7/89)
48.	Harron Communications	185,000	(8/89)
49.	Columbia International	176,350	(8/89)
50.	Media General	176,068	(6/89)
(78) 51.	C-TEC Cable Systems**	174,814	(9/89)
(51) 52.	U.S. Cable Corp.	168,000	(9/89)
(52) 53.	Palmer Communications	160,551	(5/89)
(53) 54.	Insight Communications	157,700	(4/89)
(54) 55.	Armstrong Utilities	153,337	(7/89)
56.	Summit Communications	141,000	(10/89)
(55) 57.	Northland Communications	137,148	(4/89)
(57) 58.	Bresnan Communications	127,105	(8/89)
(58) 59.	Booth Communications	124,893	(9/89)
(59) 60.	Sonic Communications	117,551	(5/89)
61.	Susquehanna Broadcasting	116,370	(9/89)
(60) 62.	McDonald Group	115,200	(4/89)
(62) 63.	United Video Management	113,132	(8/89)
(63) 64.	Pencor Services	107,200	(10/89)
(64) 65.	First Carolina Communications	99,500	(3/89)
(65) 66.	Midcontinent Cable Systems Co.	95,550	(6/89)
(66) 67.	WEHCO Video	93,900	(4/89)
(67) 68.	Gilbert Media	85,000	(6/89)
(68) 69.	Coaxial Communications	80,000	(5/89)
(69) 70.	Selkirk Communications	80,000	(9/89)
(70) 71.	Mission Cable	72,294	(8/89)
(71) 72.	Barden Cablevision	70,945	(8/89)
(72) 73.	Douglas Communications	70,100	(8/89)
(73) 74.	James Cable Partners	70,000	(4/89)
(74) 75.	Cardinal Communications	60,500	(6/89)
(75) 76.	Prestige Cable TV Inc.	60,410	(7/89)
(76) 77.	Omega Communications	60,000	(8/89)
(77) 78.	Helicon Corp.	59,000	(8/89)
79.	Hearst Communications Of California	58,200	(5/89)
80.	Fanch Communications	58,000	(6/89)
81.	Telesat Cablevision Inc.	57,235	(6/89)
82.	State Cable TV	54,700	(5/89)
83.	Galaxy Cablevision	54,627	(8/89)
84.	Leonard Communications	53,000	(8/89)
85.	Joseph Gans Cable TV	50,000	(8/89)
86.	New England Cablevision	49,000	(4/89)
87.	Republic Communications Corp.	48,000	(5/89)
88.	Rock Associates	47,500	(3/89)
89.	Downey Media Group	47,500	(3/89)
90.	360 Corp.	45,000	(5/89)
(new) 91.	Cable America Corp.	44,045	(9/89)
(95) 92.	Cable Holdings Inc.	43,135	(10/89)
(91) 93.	Masada Corp.	43,120	(8/89)
(92) 94.	CableSouth Inc.	42,100	(2/89)
(93) 95.	Star Cable Associates	42,000	(8/89)
(94) 96.	Eastern Connecticut Cable TV	41,820	(6/89)
(96) 97.	C4 Media	41,275	(7/89)
(97) 98.	Raystay Co.	40,447	(8/89)
(98) 99.	Acton Corp.	40,400	(3/89)
(99) 100.	Schurz Communications	40,078	(8/89)

( ) Rank last listing

*** Reflects system sales to Jones Intercable**

**** Reflects Centel Cable acquisitions**

Subscriber counts are provided by MSOs and systems to Cable Vision. *Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 345 Park Avenue So., 9th Floor, New York, NY 10010.*

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Long Island, NY	Cablevision Systems	477,960	(8/89)
2.	Orlando/Central Complex, FL	ATC	400,000	(10/89)
3.	San Diego, CA	Cox Cable	303,637	(6/89)
4.	San Antonio, TX	KBLCOM	234,835	(6/89)
5.	Manhattan, NY	ATC	231,864	(6/89)
6.	Puget Sound, WA	Viacom	225,800	(6/89)
7.	Phoenix, AZ	Times Mirror	220,968	(5/89)
8.	East Orange, NJ	Maclean Hunter	212,000	(6/89)
9.	Honolulu, HI	ATC	206,251	(10/89)
10.	Chicago (suburbs), IL	Continental	181,537	(9/89)
11.	Rochester, NY	ATC	180,000	(9/89)
12.	Houston, TX	Warner	179,000	(9/89)
13.	Wayne, NJ	UA Entertainment	175,376	(7/89)
14.	Louisville/Jeff. Co., KY	Storer Communications	170,000	(8/89)
15.	Cherry Hill, NJ	Garden State Cable	168,000	(9/89)
16.	Cincinnati, OH	Warner	167,000	(6/89)
17.	Atlanta, GA	Prime Cable	166,000	(9/89)
18.	Cleveland, OH	Cablevision Systems	165,780	(8/89)
19.	Hampton Roads, VA	Cox Cable	164,699	(6/89)
20.	Fairfax, VA	Media General	164,519	(6/89)
21.	Tulsa, OK	UA Entertainment	159,551	(7/89)
22.	Connecticut Complex	Cablevision Systems	157,829	(8/89)
23.	Jacksonville, FL	Continental Cablevision	154,600	(5/89)
24.	Hartford/Plainville/Vernon, CT	UA Entertainment	152,683	(6/89)
25.	Chicago, IL	TCI	148,857	(4/89)
26.	Charlotte, NC	ATC	148,850	(9/89)
27.	Memphis/W. Memphis, TN	ATC	148,000	(1/89)
28.	Brooklyn/Queens, NY	Warner	147,000	(9/89)
29.	Kansas City, MO	ATC	147,000	(2/89)
30.	San Jose/Campbell, CA	Heritage	145,000	(6/89)
31.	Baltimore County, MD	Comcast	144,000	(6/89)
32.	Manhattan, NY	Paragon	143,500	(6/89)
33.	Pompano, FL	Continental	140,084	(9/89)
34.	Buffalo, NY	Adelphia Comm.	139,515	(8/89)
35.	Denver (suburbs), CO	UA Entertainment	139,303	(6/89)
36.	St. Louis, MO	Cencom	135,034	(8/89)
37.	San Francisco, CA	Viacom	134,000	(6/89)
38.	San Diego, CA	ATC	132,000	(1/89)
39.	Austin, TX	ATC	126,100	(10/89)
40.	Martin/Stuart Co, FL	Centel	125,000	(10/89)
41.	Seattle, WA	TCI	124,613	(8/89)
42.	Warren, NJ	TKR	119,358	(7/89)
43.	Richmond, VA	Continental	119,003	(1/89)
44.	Pinellas County, FL	Newhouse	114,000	(6/89)
45.	Wilmington, DE	Heritage	112,000	(6/89)
46.	Tacoma, WA	Viacom	112,000	(6/89)
47.	Grand Rapids, MI	UA Entertainment	111,198	(6/89)
48.	San Diego County, CA	Times Mirror	111,029	(5/89)
49.	Toledo, OH	Blade Communications	110,785	(5/89)
50.	Southeast Michigan	Comcast	110,000	(6/89)
51.	Chicago Suburbs, IL	Centel	109,576	(5/89)
52.	Raleigh/Durham, NC	ATC	109,000	(9/89)
53.	Las Vegas, NV	Prime Cable	107,288	(5/89)
54.	Dallas, TX	Heritage	107,244	(6/89)
55.	Jefferson Parish/Kenner, LA	Cox Cable	106,332	(6/89)
56.	San Juan, PR	Multivision Cable	106,046	(6/89)
57.	Indianapolis, IN	Comcast	104,000	(6/89)
58.	Boston/Brookline, MA	Cablevision Systems	101,697	(8/89)
59.	Nashville, TN	Viacom	101,500	(6/89)
60.	Hillsborough/Tampa, FL	Paragon	100,281	(2/89)
61.	Pittsburgh, PA	TCI	98,952	(8/89)
62.	Chicago, IL	Group W	98,700	(5/89)
63.	Monmouth, NJ	Sutton Capital	97,266	(7/89)
64.	Jackson, MS	ATC	97,000	(1/89)
65.	St. Petersburg, FL	Paragon	95,412	(2/89)
66.	Greensboro, NC	ATC	95,200	(8/89)
67.	Columbus, OH	Warner	95,000	(9/89)
68.	Reading, PA	ATC	95,000	(10/89)
69.	Naples, FL	Palmer	94,450	(6/89)
70.	Worcester Complex, MA	Greater Media	94,897	(9/89)
71.	Portland, OR	KBLCOM	91,500	(8/89)
72.	Greensboro, NC	ATC	91,000	(1/89)
73.	Dade/Broward County, FL	Storer	90,000	(8/89)
74.	Wichita, KS	Multimedia	88,732	(9/89)
75.	Independence,MO	Jones	88,628	(8/89)
76.	Tucson, AZ	Cooke	86,976	(8/89)
77.	Akron, OH	Warner	86,900	(9/89)
78.	Fayetteville, NC	ATC	86,000	(10/89)
79.	Milwaukee, WI	Warner	86,000	(9/89)
80.	Harrisburg, PA	Summons	85,200	(8/89)
81.	Orange County, CA	KBLCOM	85,100	(8/89)
82.	Baton Rouge, LA	UA Entertainment	84,976	(6/89)
83.	Dover/Morristown, NJ	Simmons	84,640	(8/89)
84.	Fresno, CA	Continental	84,217	(6/89)
85.	Montgomery County, MD	Hauser	84,000	(8/89)
86.	Albuquerque, NM	Jones Intercable	83,119	(5/89)
87.	South Bend, IN	Heritage	82,744	(6/89)
88.	Houston Suburbs, TX	Prime Cable	82,000	(6/89)
89.	Medford Complex Boston Suburbs, MA	Warner	82,000	(6/89)
90.	Buffalo, NY	TCI	81,358	(7/89)
91.	Oakland County, MI	UA Entertainment	80,564	(8/89)
92.	Oklahoma City, OK	Cox Cable	79,104	(6/89)
93.	New Orleans, LA	Cox Cable	78,979	(6/89)
94.	Providence/Warwick, RI	Times Mirror	78,528	(6/89)
95.	W. San Fernando Valley, CA	CV Industries	78,369	(8/89)
96.	Allentown, PA	Service Electric	78,000	(8/89)
97.	Thousand Oaks, CA	Western	78,000	(8/89)
98.	Indianapolis, IN	ATC	75,715	(10/89)
99.	Omaha, NE	Cox Cable	75,625	(6/89)
100.	South Texas, TX	Heritage	75,560	(6/89)